

 Early Warning System

FMO-63578

GH2 Industries (Private) Limited



Quick Facts

Countries	Pakistan
Specific Location	Gharo - Sindh province
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-03-28
Borrower	GH2 Industries (Private) Limited
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 5.00 million



Project Description

According to the Bank's website, this concerns a greenfield project, or a newly designed project that lacks constraints imposed by previous work. GH2 plans to convert agricultural by-products and local raw materials to value-added products and expand on the export base of the country through a diversified product mix. The project offers a unique integrated and sustainable business model where key inputs including agri feedstock, power and steam are partially or fully produced in-house and various production waste streams are responsibly converted to commercially useful by-products.

The transaction promotes a circular business model which is important for sustainability. Also, the transactions will benefit Pakistan economically by increasing exports. Additionally, the project will help create jobs, strengthen food production & security, and will improve farmer livelihoods. GH2's vision aligns with that of FMO in promoting sustainable rice farming in Pakistan with plans to increase farmer resiliency and limit climate impact. The transaction received a 100% Green Label.



Early Warning System Project Analysis

GH2's E&S risk category is B+. The main identified environmental and social (E&S) risks are: 1) E&S management system implementation, this will start at construction which has not yet commenced, and 2) E&S and in particular Occupational Health & Safety and labour standards knowledge and capacity of contractors and suppliers. The contractor and supplier risks are increased by the human rights and contextual risks for workers in agriculture and businesses in Pakistan. The land was procured from a single seller - a private limited company, on a willing seller willing buyer principle. No significant vegetation of economic or biodiversity value was observed on the project land. There is also no evidence of peoples identifying as 'indigenous' in or around the project area and no cultural heritage sites are known on or near the site. Based on this, PS 5-8 (Involuntary Resettlement, Biodiversity, Indigenous People and Cultural Heritage) are not considered applicable.



Investment Description

- Netherlands Development Finance Company (FMO)

Total FMO financing: USD 5.00 MLN

Funding: Building Prospects



Private Actors Description

GH2 was founded in September 2020 in Lahore, Pakistan, with the purpose of setting up a vertically integrated agri-based manufacturing facility to source (broken) rice and produce rice derivatives for the local and export markets. GH2 is set up by a Pakistani group specialized in developing green energy projects. The project is based near Gharo, Thatta district, in Sindh province.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	GH2 Industries (Private) Limited	Client	-



Contact Information

<https://gh2group.com/project/gh2-industries/>

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>